

ORIGINAL

Decision No. 67211

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of SQUARE DEAL TRUCKING )  
CORPORATION, a corporation, under )  
Section 851 of the Public Utilities )  
Code for Authority to Encumber )  
Utility Property )

Application No. 46606  
Filed May 1, 1964

O P I N I O N

This is an application for an order of the Commission authorizing Square Deal Trucking Corporation to execute a mortgage of motor vehicles.

Applicant is a California corporation engaged in business as a highway common carrier in portions of southern California. For 1963, its reported operating revenues of \$421,337 were offset by net expenses and other deductions aggregating \$460,633, resulting in a net loss for the year of \$39,296. The balance sheet attached to the application as Exhibit B shows that as of February 29, 1964, applicant's current liabilities exceeded current assets by \$85,803, the depreciated cost of its motor carrier property was \$62,286, and its accumulated deficit amounted to \$45,997. The corporation asserts that it is unable to meet current obligations because of its present financial position, and that it plans to discontinue highway common carrier operations and to limit future activities to those of a permitted carrier.

The application shows that the company has entered into negotiations to sell its highway common carrier certificated rights in both intrastate and interstate commerce to Thunderbird Freight Lines, Inc., an Arizona corporation, for \$45,000. The prospective purchaser has consented to advance a \$20,000 down payment to applicant for working capital to be utilized in continuing operations. Since a contingent liability will exist until the anticipated sale is ultimately authorized or denied by the Interstate Commerce Commission or by this Commission, applicant proposes to execute a mortgage of motor vehicles in favor of Thunderbird Freight Lines, Inc. to secure repayment of the \$20,000 advance as set forth in Appendix A attached to the application.

The Commission has considered this matter and finds that the execution of a mortgage of motor vehicles under the circumstances set forth in this proceeding would not be adverse to the public interest. On the basis of this finding we conclude that the application should be granted. A public hearing is not necessary.

The action taken herein is for the execution of a mortgage of motor vehicles only, and shall not be construed as an indication of whether or not the Commission would authorize the contemplated transfer, nor is it to be construed as a finding of value of operative rights.

O R D E R

IT IS ORDERED that:

1. Square Deal Trucking Corporation, on or after the date hereof and on or before September 30, 1964, for the purpose set forth in this proceeding, may execute a mortgage of motor vehicles in the same form, or in substantially the same form, as that attached to the application.

2. Within thirty days after executing the mortgage of motor vehicles herein authorized, applicant shall notify the Commission, in writing, of the fact of such execution.

3. The effective date of this order is the date hereof.

Dated at San Francisco, California,  
this 19<sup>th</sup> day of MAY, 1964.

*William L. DeWitt*  
President  
*Robert A. Hooper*  
*George J. Traver*  
*Fredrick B. Holbrook*  
Commissioners